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MONTANA *Industrial Horizons*

STATE PLANNING BOARD May, 1961

MONTRONICS—*Electronics firm established in Bozeman. Will design and develop own product line.*

Governor and MSC President visit Montronics. Left to Right: B. D. Prichard, Vice-President of Montronics, Gov. Nutter, Dr. R. R. Renne, and Dr. D. K. Weaver, President of the firm.

January 1, 1961, saw the introduction of a new industry to Montana when Montronics, Inc., began operations in Bozeman. On January 31, 1961, $6,737 in payroll checks were issued to 20 employees of Montronics, thus beginning a new development which we hope will become a substantial factor in our economy. Initially, there were 15 employees on the payroll. Of these, 12 are graduate electrical engineers, 2 are technicians, and one an administrator. In addition there are a number of hourly employees. Of the 12 electrical engineers, 9 are graduates of Montana State College and of these, 7 have Master of Science degrees. This group represents at least half of the top students graduated from the Electrical Engineering Department over the past four years.

Montronics was formed by transplanting the electronics systems development group of the Electronics Research Laboratory at Montana State College into a private corporation. Necessary capital was raised for this venture from private investors, and approximately one-third of the capital came directly from technical personnel in the Electronics Research Laboratory. The corporation is Montana owned and controlled and staffed with Montanans who are products of our own educational institution. Montronics is one example of how economic development in the State of Montana can take place by proper development from within the state.

In the Electronics Research Laboratory this group carried out a considerable amount of design and development work resulting in electronic instruments and systems for a wide variety of sponsors. In general, the market for this activity is found outside the state.

Montronics will carry on this same type of design and development work and is planning to develop its own product line and will manufacture these items. In addition, there seems to be an excellent possibility for Montronics to participate in the Minuteman missile program in Montana by supplying engineering service to the prime contractors and by doing electronic equipment development work for them.

Many people think that starting an industry is simply a matter of attracting large industries from other parts of the United States. This is true in the traditional areas of industrial development in Montana where the attraction is in terms of a natural resource with a fixed location. The kind of industry we have in Montronics is one which utilizes the human resource. Unfortunately for Montana, the human resource is not fixed in location but is highly mobile, especially in the 20 to 30 year age bracket. Why should such industry come to Montana to utilize our human resource when it has been so easy for them to lure this resource out of the state to the locations of their present plants? The only way we can attract this type of industry is do everything we can to develop and keep the human resource here in Montana. Montronics is to be commended for their efforts toward accomplishing this result.

J. NEILS LUMBER CO. ADDS $3 MILLION PLYWOOD PLANT

St. Regis Paper Company has begun construction of a plywood plant at its J. Neils Lumber Company division at Libby, with construction expected to be completed in the spring of 1962.

Approximately 200 persons will be employed at the new plant which will have a capacity of 60,000,000 feet of ⅜-inch plywood annually. It is indicated that this plant will utilize Neils forest resources in Montana, which include large stands of larch and fir. The Neils forest lands in Montana and Washington contain one of the largest single stands of saw timber in private ownership in the Northwest.

J. Neils Lumber operates sawmills at Libby and Troy, Montana, and Klickitat, Washington. Also at Libby, Neils has a stud mill, treating plant, presto-log plant, and a box factory. There is also a box factory at Klickitat.

Production Begins at Sierra Talc

March 20th marked the start of production at the new talc refining plant at Three Forks, Mont., which is the latest of five such plants owned and operated by the Sierra Talc Co. (there are three others in California and one in Nebraska). This new addition to Montana's growing industrial complex is built on a Northern Pacific industrial site and represents an investment of over $750,000.

"We feel this is the most advanced plant of its type in the country today," said James Poore, mill superintendent, during a recent interview. "Our product will be used in paints, cosmetics, chemicals, pulp and paper, the plastic and rubber industies throughout the United States and various foreign countries," he added. It is marketed under the trade name of **Mistron Vapor.**

Using talc ore which comes largely from their own mines in the Cameron, Mont., area, in barely a month the new plant has processed over 1,500,000 lbs. of this raw material. The company operates on a 24-hour basis and employs 12 people.

The community of Three Forks and Mayor Mel Hamilton are to be commended for their complete cooperation in bringing this new industry into the area, and the State Planning Board extends best wishes to the Sierra Talc Co. for a most prosperous future in Montana.

Northern Forest Fire Laboratory at Missoula

Knowledge gained from little experimental fires in combustion laboratory may help to prevent big forest fires.

The Northern Forest Fire Laboratory, first research facility of its kind in the western United States, was dedicated last fall in Missoula. This $1,000,000 laboratory is designed to focus the power of science and technology on the solution of critical forest fire problems.

Operated as a research unit of the Intermountain Forest and Range Experiment Station, the new U. S. Forest Service laboratory is engaged in a broad regional and national research program. Its scientists are studying both man-caused and lightning-caused forest fires. They are developing new knowledge of fire behavior and new techniques for the prevention, detection and suppression of forest fires.

Montana's pool of trained scientists and technicians is being measurably bolstered by this new facility. When fully staffed, the laboratory will employ 35 professionally trained scientists plus nearly an equal number of technicians, administrative, and maintenance personnel. The scientists will include physicists, chemists, engineers, foresters, meterologists, and mathematicians.

At present, the laboratory has 24 full time employees of whom 13 are scientists. During the summer months, 11 student technicians, many of them recruited from Montana State University, are employed. During other months, a few students are employed as part time laboratory assistants.

In a national research program, the laboratory works closely with other scientific institutions and private, state, and federal agencies. Two of the fire research projects are supported, in part, by National Science Foundation grants. One grant concerns lightning storm investigations including experimental cloud seeding. The other concerns mechanisms of forest fire spread and is conducted in cooperation with Washington State University.

Northern Forest Fire Laboratory scientists are studying fire behavior and new techniques for fire prevention and control. In their studies, the scientists use a huge combustion chamber, 66 feet high, and two sub-sonic wind tunnels. In these unique scientific facilities, model fires in various forest fuels can be studied under fully controlled conditions of temperature, humidity, and wind velocity

One of the more spectacular features of the laboratory is radar equipment being installed for studies of lightning phenomena. By means of a micro-wave relay system, radar scopes in the laboratory are being connected to a new U. S. Weather Bureau radar station atop an 8,000 foot peak near Missoula. With this equipment, scientists can scan fire weather situations over a 250 mile radius across some of the Northwest's richest forest resources.

The fine new laboratory will provide fire research results benefitting private, state, and federal forestry agencies and the general public throughout the Nation.

In the News . . .

President Kennedy has asked Congress to appropriate $3,300,000 to start construction of a power line from Noxon to Hot Springs and on to Anaconda to supply power for the steel mill which the New York firm of Webb & Knapp proposes to build at the site of the Anaconda Co.'s slag dump at Anaconda. Webb & Knapp has confirmed a contract with Bonneville Power Administration for 150,000 kilowatts of power for a 20-year period, to be available October 1963. This was also the date mentioned in a telegram to Gov. Nutter from Wm. Zeckendorf, President of Webb & Knapp, by which operation of the mill may be underway.

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Harvard and Radcliffe students will assist Indian leaders on the Northern Cheyenne Indian Reservation this summer in community planning and development of educational and recreational opportunities for Indian children. The Montana reservation is one of five included in the Harvard University Indian Project.

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Corn cobs, sawdust, algae, may be fuels for making power in the future. A government scientist has found a way, as yet only on a test-tube scale, of harnessing the energy naturally given off by the decomposition of vegetable matter; the chemical reactions thus created from these waste materials emit a form of direct electrical energy—without first making mechanical power. Besides low cost, enthusiasts say, the process would boast complete silence and safety, require no moving parts, need little care, and would work in any climate. This development may, in the future, provide low-voltage power for many residential, industrial, military and outer-space applications.

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Sales last year increased 24 per cent for Buttrey Foods, Inc., over the previous year. The firm operates 23 stores in the state, employing over 1,000 people. They plan to build five new stores in 1961, and another four are planned as soon as sites are available.

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Business Week reports Kansas City manufacturers are finding that mined-out quarries can make durable, inexpensive plant sites. One developer says going underground reduces heating and air conditioning costs by about 30 per cent. Vibration from traffic is cut to almost nothing. Fire risk is greatly reduced—one company was paying $2.85 per $100 value for insurance, which was reduced to 20c per $100 when they moved underground. Another firm paid for two-thirds of their plant, excluding the cost of the land, by selling the limestone quarried from the site.

Distressed Areas Act Explained

Montana had the opportunity to be among the first to hear of possible benefits to be derived from the federal "Area Redevelopment Act" recently passed by Congress. Meetings were held with civic officials and other interested persons in the labor surplus areas of Butte and Kalispell, and on May 10th a meeting was held in Helena with Indian tribal leaders from all seven Montana reservations to hear David K. Hartley explain the program. Hartley, former Assistant Director of the State Planning Board, is with the Office of Area Development in Washington, D. C.

Arrangements for the May 10th meeting were made by K. W. Bergen, Co-ordinator of Indian Affairs, and the State Planning Board. The meeting was co-chairmaned by Tom Collins, Director of the State Planning Board, and Stephen DeMers, tribal leader and executive of the Montana Power Company.

Hartley, in explaining the bill, emphasized that in its present form it is a pilot program and a new approach to the solution of the unemployment problem. Assistance is provided only in those areas of substantial and persistent unemployment. The Butte and Kalispell areas have been so designated in Montana, and it is quite certain that all seven reservation areas in Montana will be permitted to apply for assistance. The details of administration have not yet been determined, but an Administrator of Area Redevelopment has been appointed to operate within the U. S. Department of Commerce to set up the program.

The Area Redevelopment Act is essentially to provide financial assistance in the form of long-term low interest loans primarily for industrial land and buildings. Federal participation is authorized up to a maximum of 65 percent of project cost. Not less than 5 percent of project cost must be supplied by non-governmental sources. Not less than 10 percent of project cost must be supplied by the State or agency thereof, or by a community or area organization. To qualify, the redevelopment area must have an over-all economic development program, and the project for which financial assistance is sought must be approved by the state (or any agency, instrumentality, or local political subdivision thereof) as being consistent with the overall development program.

Another phase of the program will be to provide loans or grants for public facilities where it is determined that these facilities will improve the opportunities for industrial development. Also, funds will be available for several miscellaneous purposes such as occupational training, subsistence payments, technical assistance, relaxation of matching fund requirements for urban renewal and urban planning grants, research and information.

Governor Nutter spoke briefly to the Helena assemblage regarding this legislation.

The afternoon session was devoted to a panel discussion of possible solutions to the reservations' economic problems. The panel was composed of leaders in the field of industrial development in Montana and the Northwest. Members of the panel were: Collins and DeMers, co-chairmen; R. C. Setterstrom, Montana Power Co.; Thomas St. Clair, industrial specialist from the Bureau of Indian Affairs; Charles Jarrett, industrial specialist, Great Northern Railroad; John Curtis, industrial engineer, Great Northern Railroad; James Crawford, Director of Community services, Bureau of Indian Affairs; and David Hartley, Office of Area Development.

The general conclusion of the panel was that success of the Area Redevelopment program would depend upon local initiative and must begin with sound planning and development of an over-all economic program for each reservation area. This must be followed up by careful selection of industrial prospects and aggressive selling of local advantages. It was pointed out that the process is usually slow, and even with federal aid, no overnight solution to economic problems should be expected.

Meat Packers Confer

State meat packers and livestock feeders met recently in Bozeman with members of the State Planning Board staff and Montana State College faculty personnel to discuss problems of the meat packing industry and the possibilities of expansion in the livestock feeding-packing complex.

Dean Vaughn, MSC extension marketing specialist, in discussing the livestock feeding situation indicated that feeders presently realize only a slight profit margin in this highly competitive industry and cautioned against over-expansion.

Research conducted by MSC on the possibilities of expansion in the meat packing industry in Montana discloses that prospects in this area are good. Dr. Clive Harston of the Department of Agricultural Economics said preliminary findings of the study indicate slow but steady growth as the population of the western states increases, thus creating an expansion potential here. However, Dr. Harston's studies indicate that the capacity of Montana's existing plants is sufficient to handle increased production for some time to come.

There are presently 58 meat packing plants in Montana, employing 700 persons. Their annual payroll amounts to $3 million.

Nationally, meat packing is the second largest industry, after automobiles. Steel is third.

Open discussion during the afternoon session of the meeting brought out that the main problems of Montana packers stem from difficulties in obtaining financing for expansion and modernization, transportation, government regulations, and competition from extensively advertised national brands.

$1½ MILLION PHILIPSBURG SAWMILL

Montana Forest Products Company's new $1½ million sawmill at Philipsburg plans to begin operations in August of this year. The mill will produce dimension lumber, paneling, and decking materials from lodgepole pine, fir, and spruce. Two-thirds of the sawlogs will be lodgepole pine.

K. L. Noss, plant superintendent, states that the plant will commence operations on a one-shift basis and will produce approximately 80,000 board feet of lumber per shift. As soon as practical, operations will be expanded to two shifts. Employment is expected to reach a total of 80 men in the mill, and approximately half that many more will be employed in the logging operations. Mill residues will be converted into chips which will be shipped to the Waldorf-Hoerner plant near Missoula.

Sawmill and Boiler Plant under construction.

Kilns in which lumber will be dried.

Mill equipment will consist of a band headrig, two gang saws, two edgers, a resaw, and a planer. Three 88' long dry kilns are being constructed under one roof. Two of these kilns will have a single drying track and one will have a double track.

This new mill will give Philipsburg's economy a tremendous boost and the population of the town will grow accordingly.

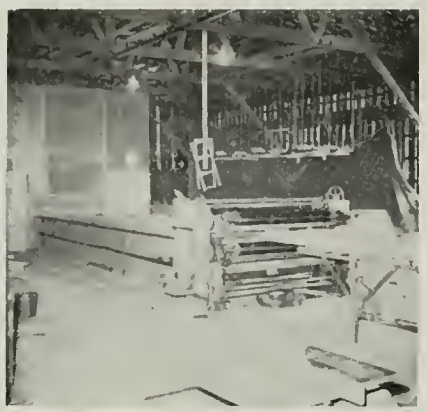
Homes for Under $10,000

Mission Homes, Inc., of Missoula, one of the Northwest's most successful fabricators of factory-built homes (see "Industrial Horizons," April, 1957), has just announced the addition of a line of new low-cost houses to their selection of quality homes.

During a recent interview with James Rother, Jr., Pres. of Mission Homes, he explained the principle of stressed-skin panels, whereby it is possible to create substantial savings in production costs. Rother and his engineers have spent several years in the development of a press and glueing machine which is capable of producing quality panels at low cost. The new equipment which was recently put in operation involved a capital expenditure of approximately $75,000.

"With this new press we will be able to build a good quality 2 or 3 bedroom home for under $10,000," said Mr. Rother, "and with our variety of new plans, we can meet the needs of any prospective home buyer."

Mission Homes was founded in 1956 and is associated with Rother Lumber Co. They erect homes in Washington, Idaho, Utah, Wyoming, North Dakota, Colorado and Montana.



Framework going into glueing machine.

Wolf Point Forms Industrial Development Corporation

The Wolf Point Chamber of Commerce is establishing an industrial development corporation, to be known as the "Wolf Point Loan and Development Company."

Articles of incorporation have been drawn up, and as soon as the by-laws are approved the incorporators will apply for a state charter.

The group already has $20,000 available and an additional $13,000 will be available after July 1 should a worthwhile industrial project present itself before the incorporation is approved by the state.

The corporation plans to work in cooperation with the Fort Peck Tribal Council, the Bureau of Indian Affairs, the Montana State Planning Board, and all other interested parties in the industrial development of the Wolf Point trade area.

Inquiries regarding this company may be directed to R. E. Coffey, P. O. Box 986, Wolf Point, Montana.

With the Planning Board . . .

The Advisory Council has been enlarged to 13 with the recent addition of four new members.

New appointments are Sidney P. Kurth, Billings lawyer; O. E. Markle of Glasgow, President of the Montana Chamber of Commerce; Alex K. Sample, Jr., President of the Conrad National Bank of Kalispell; and Kenneth P. Todd, Vice-President and General Manager of Mountain States Telephone and Telegraph Company.

* * *

Director Tom Collins and Gov. Nutter flew to Trail, British Columbia, to advance prospects of mining and milling phosphate deposits in Granite County owned by Canadian Consolidated Mining and Smelting Co.

A joint meeting of the Advisory Council and the Planning Board was held in Helena on May 4.

* * *

Director Collins accompanied Gov. Donald G. Nutter to the Western Governors' Conference held in Salt Lake City, May 15-17.

At the meeting held in Seattle last year, a Committee on Economic Development was formed to study on a regional basis the planning and development of the area's economy and resources. The director of the State Planning Board was designated as the governor's representative on this committee, which met in December to formulate recommendations for consideration at the Salt Lake meeting.

Everett Darlinton, assistant director, met with the Libby City-County Planning Board on May 25 and outlined steps to be taken in preparing a city planning program for Libby.

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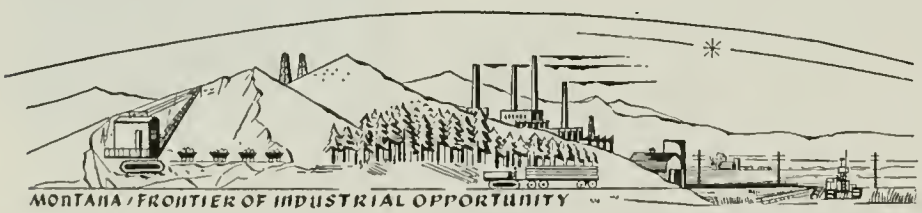
Darlinton also attended a meeting of the Inland Empire Section of the Pacific Northwest Chapter of the American Institute of Planners held May 26 and 27 at Montana State University in Missoula. The university was host for the meeting which was attended by representatives from Idaho, Montana, Oregon, and Washington. Mutual problems encountered by professional city planners were discussed.

The Montana group of the Inland Empire Section will be host to the PNCAIP and the Colorado Association of Planners for the joint annual convention which will be held at Canyon Village in Yellowstone Park, August 19, 20, and 21.



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